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Cap. 2

1963 OUTLOOK ISSUE

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NOV. 13 P. M.

DEC 14 1962

AGRICULTURAL OUTLOOK DIGEST

ECONOMIC RESEARCH SERVICE • U. S. D. A. • WASHINGTON, D. C. AOD-94 NOVEMBER 1962

The outlook for agriculture in 1963:

Compared with 1962--Little change in cash receipts from farm marketings... Increases in marketings of livestock and products, slightly lower average prices, probably slightly larger cash receipts... Little change in crop marketings, average prices, and cash receipts... A slight rise in prices farmers pay for production items... Realized net farm income expected about the same, but per capita income from farm and nonfarm sources should continue to rise... Further gain also expected in operators' net income per farm... Output of farm products likely to rise a little above level of past 3 years due to more livestock... Domestic market for farm products to increase at least in proportion to population growth... Per capita consumption of food to rise slightly... Exports of farm products probably about the same... Parity ratio about average of past 3 years.

LIVESTOCK--In 1963, prices for cattle and hogs are expected to average a little lower than in 1962... prices for sheep and lambs will be above this year's level... Production potential and supplies for 1963 cattle slaughter have increased because of expected addition of 2 1/2 million head to cattle and calf inventories... This fall's pig crop probably is 2 to 3 percent larger than in fall 1961... a 3 to 4 percent gain seems likely in next spring's crop... During first half of 1963, hog slaughter is likely to continue a little above and prices a little below a year earlier... increased pork supplies from a larger spring crop probably will result in lower prices next fall... Sheep and lamb slaughter in 1963 is likely to be considerably smaller than in 1962.

DAIRY--Prices received by dairymen in first quarter of 1963 will be lower than a year earlier but may be near 1962 level for rest of year... Milk production in 1963 may be around a billion pounds above the 126.5 billion estimated for 1962... Decline in consumption per person of milk in all forms may be arrested this year but is likely to be resumed in 1963... Total civilian consumption of milk and dairy products in 1963 is expected to be more than in 1962 because of population gains and increased CCC donations for domestic distribution... CCC purchases next year may be larger than in 1962... Both gross and net incomes of dairymen are expected to be slightly less than in 1962 because of moderately lower prices.

POULTRY AND EGGS--Chicken consumption per person in 1963 is expected to be record high, significantly above the 29.5 pounds in prospect for 1962... Egg production next year probably will exceed slightly the 175 million cases estimated for 1962... And greater output of broilers (over 2 billion) and turkeys (more than 92 million) seems probable... Egg and broiler prices are expected to average lower next year than in 1962.

WHEAT--Supplies for the 1962-63 marketing year are estimated at 2,405 million bushels, about 10 percent below last year due to declines in carryover and

production...Domestic disappearance and exports both will be lower this marketing year than last...But with smaller supplies, the carryover on next June 30 is likely to be down about 8 percent from the mid-1962 level.

FEED GRAINS--Supplies for the 1962-63 year are estimated at 210 million tons, down 7 percent from last year...With domestic and export requirements greater than production this year, carryover stocks at the close of the 1962-63 marketing year likely will be near 57 million tons, down 14 million from the carryover into 1962-63...Prices of feed grains and high-protein feeds in 1962-63 may average near or a little above the levels in 1961-62.

FATS AND OILS--Total supply of edible fats, oils, and oilseeds during the 1962-63 marketing year is forecast at a record 16 1/2 billion pounds, in terms of oil...This is about 4 percent above the previous record supply a year before...Domestic disappearance of food fats in 1962-63 is expected to continue at about the annual rate of 46 pounds (fat content) per person...Total domestic use should increase by about 125-150 million pounds, in line with population growth...Prospects are that exports of food fats (including the oil content of soybeans) through September 1963 may set a record of about 4.9 billion pounds, about 17 percent more than in 1961-62.

WOOL--Domestic consumption is expected to increase moderately in 1963 over the estimated total of 560 million pounds in 1962...Imports of dutiable wool are placed at 100-110 million pounds, clean content, in 1963 compared with an expected total of 105-115 million in 1962...Imports of duty-free wools next year are forecast at slightly above the expected 135-145 million pounds, clean content, in 1962.

COTTON--Carryover is expected to rise further in 1963 from the approximately 7.8 million bales on August 1, 1962...Domestic production this year may be up around 0.4 million bales, and foreign free world production is estimated over 1 million bales higher than a year earlier...Exports during the 1962-63 marketing year are expected to total near 5.0 million bales, about the same as during 1961-62.

VEGETABLES--Supplies of fresh vegetables into early winter are likely to be materially smaller and of frozen vegetables moderately smaller than a year earlier...But supplies of canned items available into mid-1963 are expected to be substantially larger than a year earlier.

FRUIT--Supplies into mid-1963 are expected to be a little larger than a year earlier...The 1962-63 citrus crop probably will be somewhat larger than the above-average crop in 1961-62...But the 1963 deciduous crop may be a little smaller than in 1962...Prospects for fruit exports do not appear as favorable in the coming year as in the 1961-62 season.

TOBACCO--Total supplies of flue-cured and of burley are each about 2 percent larger for 1962-63 than a year earlier.